

921 KAR 1:020. Child Support Enforcement Program: confidentiality, program administration contracts, and agreements.

RELATES TO: KRS Chapter 45A, 194A.050(1), 205.175, 205.177, 205.710-205.800, 205.990(1), (2), (4), (5), (6), 403.211, 405.430(9), (13), 406.035, 434.845, 45 C.F.R. 302.34, 303.70(d)(2), 303.107, 26 U.S.C. 6103(a), (b), 7213(a)(2)1, 31 U.S.C. 7502, 42 U.S.C. 651 et seq.

STATUTORY AUTHORITY: KRS 194A.050(1), 405.520, 42 U.S.C. 654(26)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 405.520 authorizes the cabinet to promulgate administrative regulations to implement the Child Support Recovery Program. This administrative regulation establishes the procedures for safeguarding information and entering into program administration contracts and cooperative agreements.

Section 1. Definition. "CSEP" means the Child Support Enforcement Program.

Section 2. Safeguarding Information. (1) Use or disclosure of information obtained exclusively for the Child Support Enforcement Program (CSEP) shall be restricted pursuant to KRS 205.175, 205.730, 205.735, 205.7685 (2), 205.772(4), and 205.776, 45 C.F.R. 303.70(d)(2) and 302.34, 26 U.S.C. 6103(a), (b), 7213(a)(2), and 42 U.S.C. 654(26).

(2) Unless an applicant for or recipient of child support services has given informed consent, information concerning the applicant or recipient of child support services shall only be released in accordance with KRS 205.177.

Section 3. Program Administration Contract. (1) A program administration contract initiated by the cabinet with another government entity shall comply with KRS Chapter 45A and shall:

(a) Contain a clear description of specific duties, functions and responsibilities of the parties in administration of the CSEP;

(b) Specify clear and definite terms and requirements of the contract;

(c) Specify financial reimbursement arrangements including:

1. Budget estimate;

2. Covered expenditures;

3. Methods of determining costs; and

4. Billing procedures for the child support agency;

(d) Specify record maintenance and format requirements;

(e) Contain reporting requirements;

(f) Contain the requirements for compliance with 31 U.S.C. 7502;

(g) Provide the beginning and end dates of the program administration contract, review or renewal provisions, and termination circumstances; and

(h) Provide audit criteria.

(2) If another government entity contracts with the cabinet, reimbursement for child support activities shall be provided when billing is submitted in accordance with procedures:

(a) Established by the cabinet; and

(b) Specified in the contract.

(3) The contracted government entity shall provide to the cabinet in a timely fashion statistical information concerning CSEP activities as prescribed by the cabinet and specified in the contract.

(4) If no contract is executed with a local law enforcement official, a referral for child support activities may be made to a local law enforcement official in accordance with the official's statutory obligations, but the official shall not be eligible for reimbursement as specified in subsection (2) of this section.

Section 4. An Agreement with a Financial Institution. The cabinet shall enter into an agreement with a financial institution pursuant to KRS 205.712(14), 205.772 and 205.774 to conduct a financial data match.

(1) The cabinet or its agent shall implement the data exchange. The cabinet or its agent shall:

(a) Have access to identifying information for an obligated parent who owes an arrearage and who the cabinet has identified to a financial institution through a data match for the purpose of monitoring and auditing; and

(b) Have access to identifying information available to a financial institution if deemed necessary by the cabinet to provide service to a recipient of child support services.

(2) The cabinet shall pay a financial institution a fee not to exceed \$250 per fiscal year quarter, or the actual cost to the financial institution for operating the data match, whichever is less.

(3) A financial institution shall:

(a) Exchange information by way of an automated data exchange system;

(b) Maintain security to assure that information received from the cabinet or its agent concerning a recipient of child support services shall:

1. Be maintained and safeguarded as confidential; and

2. Not be copied or given to any other entity without the written permission of the cabinet or the recipient of child support services; and

(c) Incur no liability for:

1. Disclosing a financial record to the cabinet for the establishment, modification, or enforcement of a child support obligation of the account holder;

2. Encumbering or surrendering an asset held by a financial institution in response to an order to withhold or order to deliver issued by the cabinet, or any other action taken by a financial institution in good faith; or

3. Providing a file to the cabinet or its authorized agent in accordance with an approved format as described by the Financial Institution Data Match Specifications Handbook incorporated by reference in Section 5 of this administrative regulation.

(4) If a financial data match occurs, a financial institution shall:

(a) Hold, encumber or surrender an account to the cabinet upon receipt of an order to withhold or order to deliver;

(b) Address and send to the cabinet or its authorized agent as designated, notices, paperwork, tapes or other communication resulting from a financial institution data match program; and

(c) Submit data files to the cabinet or its authorized agent as designated.

(5) The match of an account holder to a delinquent obligor record provided by the cabinet does not constitute a levy and an account shall not be held, encumbered, or surrendered to the cabinet without a financial institution having received an order to withhold or order to deliver from the cabinet.

(6) The information provided to the cabinet on a quarterly basis by a financial institution shall be provided in the format prescribed by the Financial Institution Data Match Specifications Handbook, incorporated by reference in Section 4 of this administrative regulation, using either Method One or Method Two.

(a) If a financial institution agrees to provide the information according to Method One, the financial institution shall:

1. Submit by March 31, June 30, September 30, and December 31 of a calendar year, data files of open accounts to the cabinet, or the cabinet's authorized agent, for the data match; and

2. Report information required by the cabinet or the cabinet's authorized agent on any account maintained by a financial institution.

(b) If a financial institution agrees to provide the information according to Method Two, the financial institution shall:

1. Request the cabinet to send the inquiry file to the financial institution's agent;
2. Match the inquiry file of obligors identified and provided by the cabinet, or by the cabinet's authorized agent, against open accounts maintained by a financial institution; and
3. Submit a report of matched accounts to the cabinet or its authorized agent within thirty (30) days of receipt of the inquiry file.

Section 5. Incorporation by Reference. (1) "Financial Institution Data Match Specifications Handbook", edition 11/07, is incorporated by reference.

(2) This material may be inspected, copied or obtained, subject to applicable copyright law, at the Department for Income Support, Child Support Enforcement, 730 Schenkel Lane, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m. (5 Ky.R. 961; Am. 6 Ky.R. 183; eff. 9-5-79; 8 Ky.R. 946; 1144; eff. 4-7-82; 9 Ky.R. 1247; eff. 6-1-83; 11 Ky.R. 865; eff. 12-11-84; 12 Ky.R. 1188; eff. 2-4-86; 13 Ky.R. 977; eff. 12-2-86; 14 Ky.R. 1165; eff. 1-4-88; 2091; eff. 6-22-88; 15 Ky.R. 656; eff. 9-21-88; 20 Ky.R. 2247; eff. 3-14-94; 21 Ky.R. 2544; eff. 5-17-95; 25 Ky.R. 634; 1635; 1892; eff. 1-19-99; Recodified from 904 KAR 2:020, 2-1-99; 26 Ky.R. 239; 632; 775; eff. 10-20-99; 27 Ky.R. 2598; 3111; eff. 5-14-2001; 35 Ky.R. 1666; 1781; eff. 2-18-2009; TAm 5-14-09.)